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Working Party on Export Credits and Credit Guarantees

RESPONSES TO THE SURVEY OF CLIMATE-RELATED AND SUSTAINABILITY-RELATED POLICIES AND PRACTICES

This document contains the analysis of the responses provided by Members of the OECD Working Party on Export Credits and Credit Guarantees (ECG) as at December 2022 to the second Survey of climate-related and sustainability-related policies and practices.

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Responses to the Survey of climate-related and sustainability-related policies and practices

1. Introduction

1. At the 153rd Meeting of the OECD Working Party on Export Credits and Credit Guarantees (ECG), held on Tuesday 2 and Wednesday 3 March 2021, ECG Members agreed to undertake a survey of climate-related and sustainability-related measures adopted by Export Credit Agencies (ECAs).

2. Following the completion of this survey (hereafter the "2021 survey"), ECG Members agreed that it should be conducted on an annual basis in order to monitor the evolution of Members' policies and practices on environment and sustainability over time.

3. In 2022, a slightly revised version of the 2021 survey was issued (hereafter the "2022 survey") and all ECAs providing officially supported export credits on behalf of ECG Members were invited to complete the 2022 survey by Friday 30 September 2022.

4. In total, 34 ECAs from 30 different countries provided responses to the 2022 survey. This includes Portugal and Lithuania, which had not responded to the 2021 survey. In addition, two sets of answers were received from Belgium (on behalf of CREDENDO and FINEXPO) and from the Czech Republic (CEB and EGAP), whereas answers from only CREDENDO and EGAP had been received in 2021. At the same time, Luxembourg and the Russian Federation, which had responded to the 2021 survey, did not provide answers to the 2022 survey. As a result, among ECG Members, only Colombia, Ireland, Israel, Luxemburg, and Mexico did not respond to the 2022 survey.

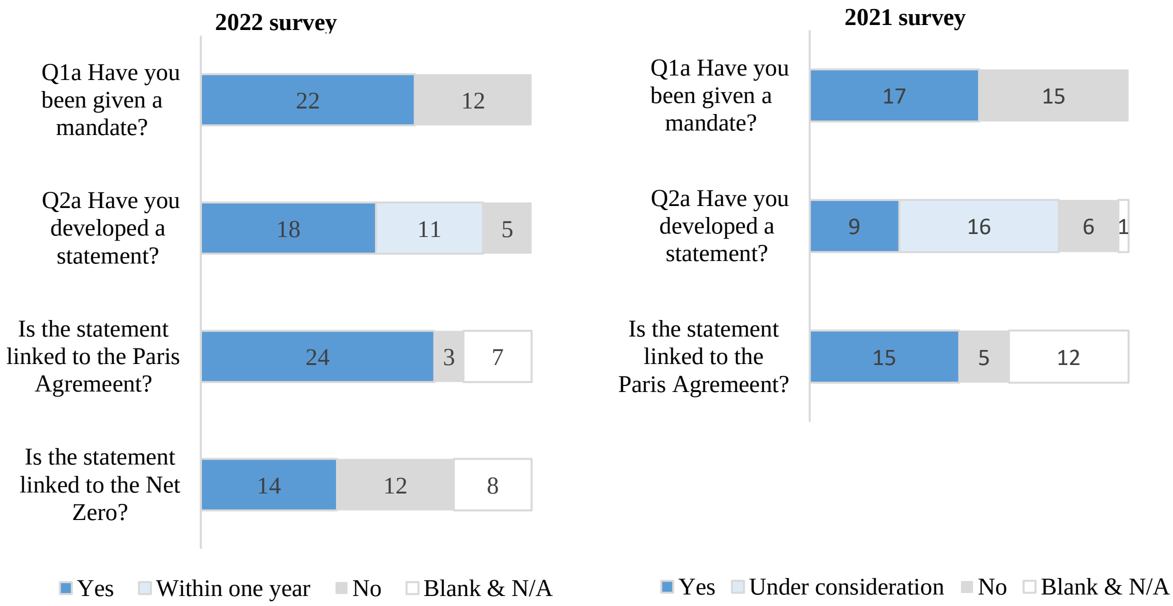
5. This document provides an analysis of the responses received to the 2022 survey in comparison with those received to the 2021 survey. The two sets of answers are not perfectly comparable because of the different ECAs responding to the survey and because the survey questions were slightly different. New questions relating to human rights and more detailed questions on carbon thresholds were introduced in the 2022 survey. In addition, the "under consideration" answer option provided in the 2021 survey was replaced by "within one year" in the 2022 survey.

2. Mandates and policy statements

6. According to the responses received, more than 60% of ECAs/countries have been given a mandate to consider climate change issues in their work and a little over half have developed a climate change specific statement (with another 30% that are considering doing so within one year) - see Figure 1. The number of ECAs/countries with a climate change statement has doubled compared to 2021. The number of ECAs/countries with a mandate has also increased compared to 2021, albeit to a lesser extent, with Australia, Belgium, Greece, Korea-KEXIM and Korea-KSURE now reporting that they have a

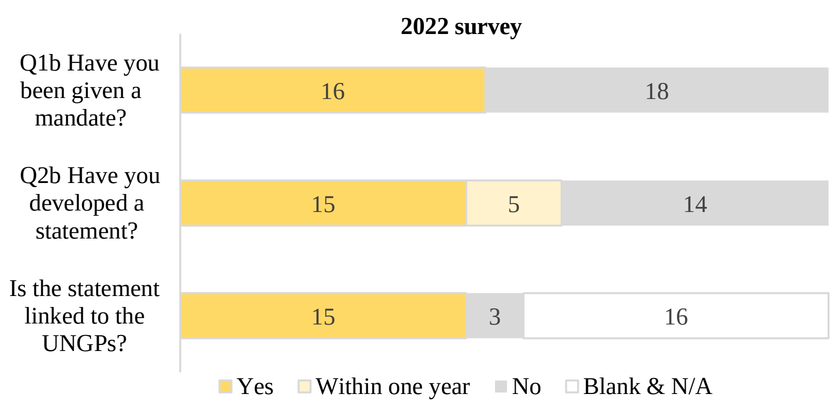
mandate in the 2022 survey. Similarly, the number of ECAs/countries reporting that the statement is or will be linked to the Paris Agreement has also increased (24 out of 34 ECAs/countries compared to 15 out of 32). Among the ECAs/countries that have developed a specific climate change statement, only Türkiye has not referenced the Paris Agreement (Italy and Norway, which had indicated that it was not referenced in 2021, reported in 2022 that it is now referenced).

Figure 1. Climate change



7. Fewer than half of ECAs/countries reported having developed a statement with regards to human rights (15 out of 34 ECAs/countries: Austria, Belgium-FINEXPO, Canada, Finland, Germany, Greece, Korea-KEXIM, Korea-KSURE, Netherlands, Norway, Slovenia, Spain, Sweden, Switzerland and the United Kingdom) and among those, all of them except for Spain reported that the statement was linked to the UN Guiding Principles – see Figure 2. Japan-NEXI was the only country/ECA among those who indicated that they intended to develop a statement within one year that it would be linked to the UN Guiding Principles.

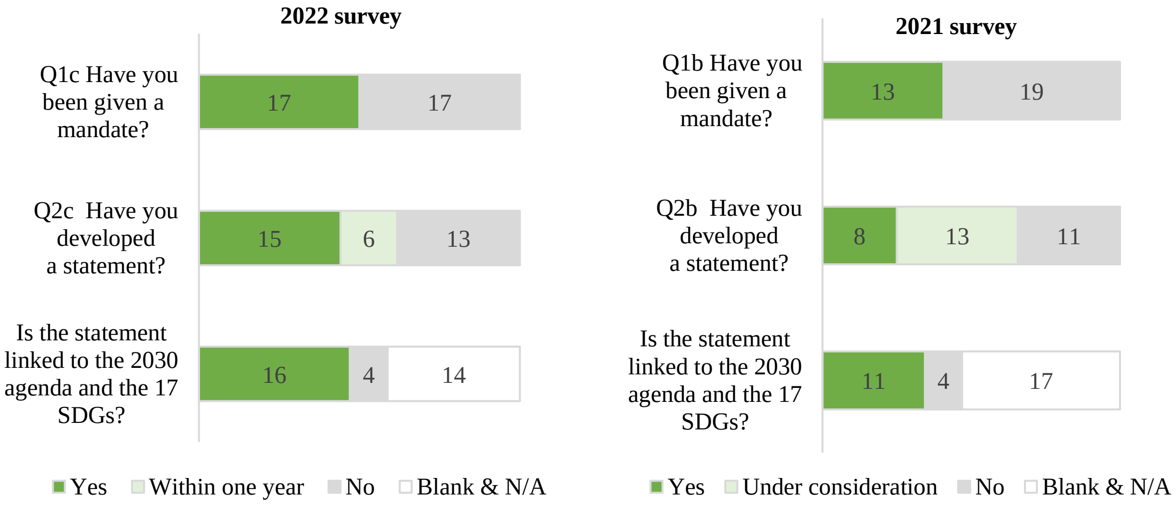
Figure 2. Human rights



Note: these questions were introduced in the 2022 survey.

8. The number of ECAs/countries with mandates or statements relating to sustainability is lower than for human rights or climate change even though it has increased compared to 2021 – see Figure 3. The number of ECAs that have developed a statement has almost doubled compared to 2021 (in addition[1] to Canada, France, Japan-JBIC, Korea-KEXIM, Norway, Spain and Sweden, seven additional ECAs/countries indicated having developed a statement: Belgium, Hungary, Japan-NEXI, Slovenia, Switzerland, Türkiye and the United Kingdom). Among the ECAs/countries that reported having developed a statement in the 2022 survey, four did not have a mandate relating to sustainability (Belgium-CREDENDO, Japan-JBIC, Slovenia and Türkiye) and three did not include references to aligning support to the 2030 Agenda for Sustainable Development and/or the 17 Sustainable Development Goals (SDGs) (France, Spain and Türkiye).

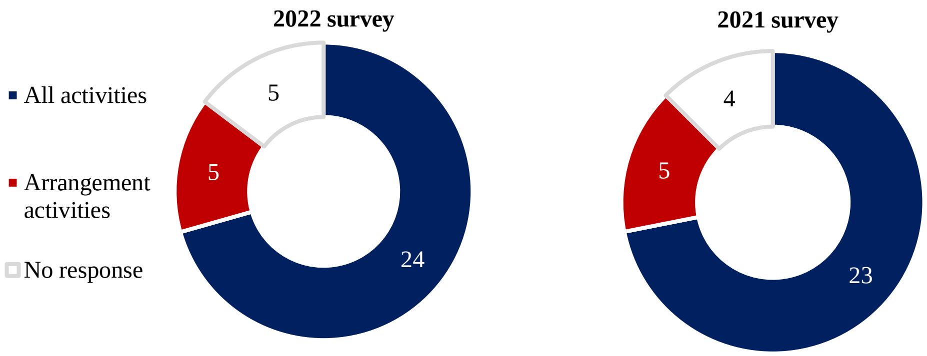
Figure 3. Sustainability



9. Approximately 70% of ECAs/countries both in 2021 and 2022 indicated that their policy statements, whether related to climate change, human rights or sustainability issues, applied/would apply to all their business (*i.e.*, not only Arrangement activities) - see Figure 4. Only five ECAs/countries specified that these statements would only be applicable to Arrangement business: Austria (2021 and 2022), Belgium (2022 only), Czech Republic (EGAP, 2021 only), Greece (2021 and 2022), Spain (2022 only) and Türkiye (2021 and 2022).

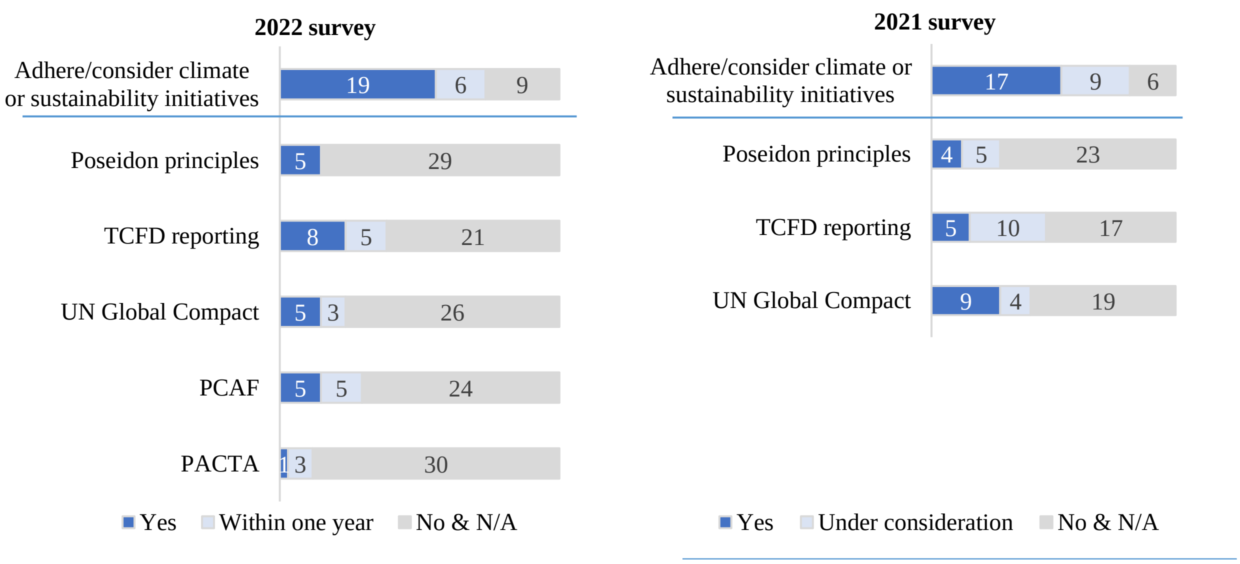
[1] The Russian Federation had also reported in 2021 that it had developed a statement relating to sustainability.

Figure 4. Policy statements apply to:



10. More than half of the ECAs/countries that responded to the 2022 survey have already adhered to various climate-related or sustainability-related initiatives and six other ECAs/countries are considering adhering to such initiatives – see Figure 5. In 2022, eight ECAs/countries reported having adhered to TCFD reporting (compared to five in 2021). In contrast, only five ECAs/countries reported having adhered to the UN Global Compact in 2022 instead of nine in 2021 (Austria, Estonia, Latvia, Netherlands, and Norway reported that they adhered to UN Global Compact in 2021 but did not report so in 2022).

Figure 5. Climate-or sustainability-related principles



11. In addition to the five initiatives mentioned in the 2022 survey (Poseidon Principles, TCFD Reporting, UN Global Compact, PCAF and PACTA), several ECAs/countries reported having adhered to, or considering adhering to, other principles such as the Equator Principles, the Export Finance for the Future Coalition (E3F) and the Glasgow Financial Alliance for Net Zero (GFANZ) – see Table 1 for details.

Table 1. Other principles that ECAs/countries are considering or have adhered to

	COP 26 Statement	E3F	EU-Taxonomy	EP	GFANZ	Nasdaq ESG Reporting Guide
Australia		X		X*		
Austria			X*			
Belgium	X	X	X*			
Canada	X*					
Czech Republic			X*			
Denmark	X	X	X*	X		
Estonia			X*			
Finland	X*	X	X*			
France	X	X	X			
Germany	X	X	X*			
Greece			X*			
Hungary			X*			
Italy	X	X	X*			
Korea-KEXIM					X	
Latvia			X			X
Lithuania			X*			
Netherlands	X*	X	X*			
New Zealand	X*					
Norway				X*		
Poland			X*			
Portugal	X*		X*			
Slovak Republic			X*			
Slovenia	X*		X*			
Spain	X*	X	X*			
Switzerland	X*					
Sweden	X	X	X	X		
United Kingdom	X	X		X	X	
United States	X*			X		

Note: "E3F": Export Finance for Future Coalition; "EP": Equator Principles; "GFANZ": Glasgow Financial Alliance for Net Zero.
X means the information was added by the Secretariat after crosschecking with other official sources as the country/ECA did not specify this in their answers to the survey.*
Source: 2022 survey responses.

3. Transactions and portfolio approaches

12. Members were invited to indicate how they consider climate and sustainability issues during their assessment of transactions and the impacts on their overall portfolio. The number of ECAs/countries that indicated that they had established policies or methodologies relating to the climate or sustainability impact of the transactions they support has increased compared to 2021, especially with regards to the climate impact.

3.1. Climate-related

13. The number of ECAs/countries with a methodology for labelling new transactions according to their potential impact on climate change has more than doubled compared to 2021 – see Figure 6. Among those, many European countries/ECAs reported using the EU

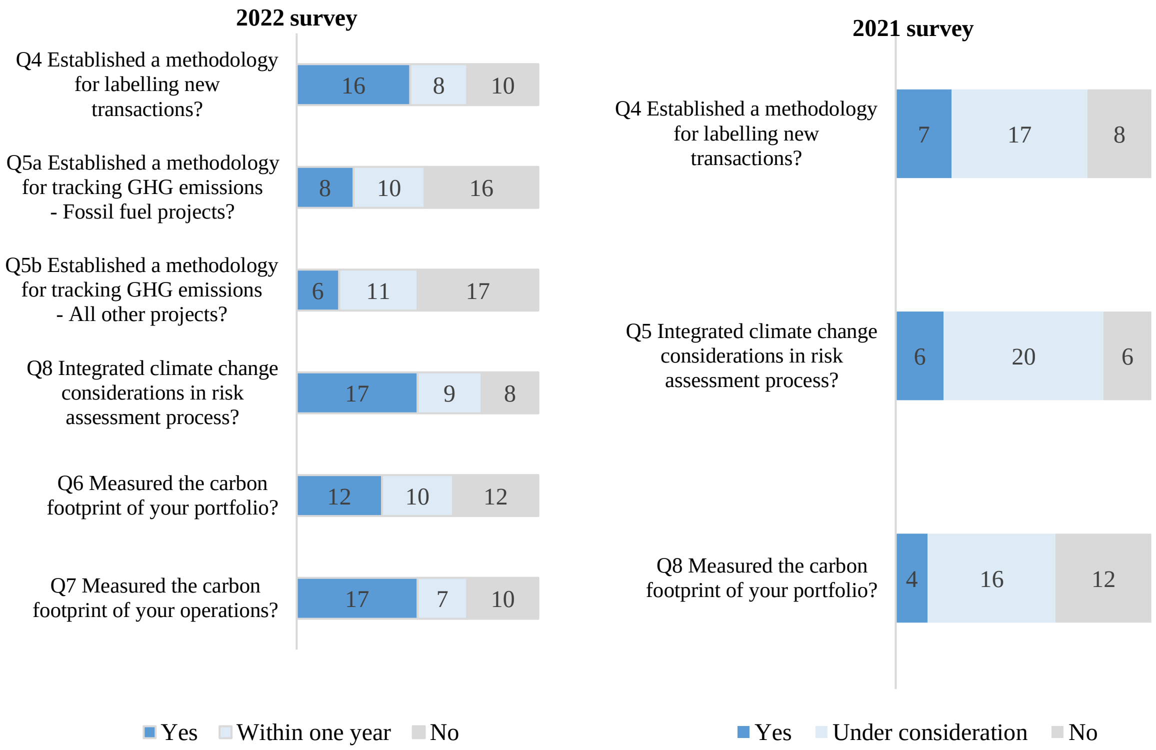
Taxonomy (such as Denmark, France, Hungary, Norway, Slovenia, Spain and Sweden) for their labelling. Many ECG Members also referenced the Common Approaches as a guide for their labelling methodology. More specifically:

- Belgium-CREDENDO identifies which transactions contribute positively to the UN SDGs.
- Canada uses a methodology for determining Green Bond eligible transactions that are based on ICMA Green Loans Principles and an internal framework reviewed by CICERO.
- Germany classifies transactions using the EHS Guidelines' energy efficiency and CO_2 intensity metrics as well as the EU Taxonomy's criteria for substantial contribution to climate change mitigation. In the future, this system might be extended to ensure full alignment with a 1.5°C pathway.
- Netherlands has developed a methodology called “the Green Label” to determine what can be considered ‘green’; it is based on IFC Definitions and Metrics for Climate-Related Activities and builds on the FMO Green Label Methodology.
- Switzerland identifies transactions that could be eligible for reporting under the UNFCCC climate finance reporting using the Rio Markers for Climate.

14. Only 20% of ECAs/countries have established a specific methodology for tracking greenhouse gas (GHG) emissions (of fossil fuel projects and all other projects); however, another 20% are considering developing such methodologies within one year. In 2022, Canada, Denmark, France, Hungary, the United Kingdom and the United States reported using a methodology to track the GHG emissions of all projects (including fossil fuel projects), while Australia and Finland reported tracking emissions of fossil fuel projects only.

15. Slightly over one third of ECAs/countries have reported that they measure the carbon footprint of their portfolio (whereas only four ECAs/countries: Canada, Denmark, Finland and France reported doing so in 2021) and another 20% are considering doing so within one year.

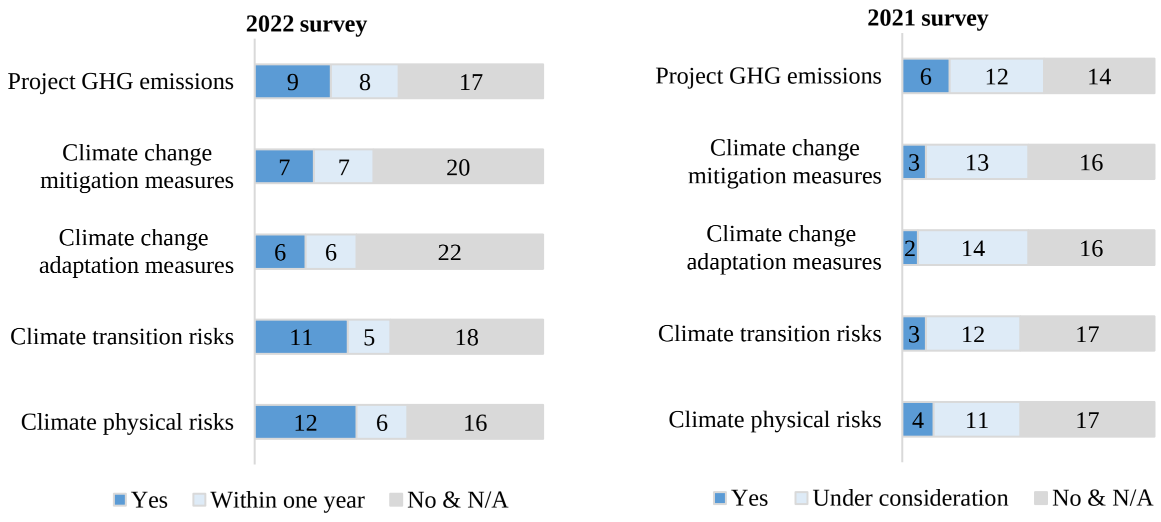
Figure 6. Climate-related approach



16. The number of ECAs/countries taking into account project GHG emissions, climate change mitigation measures, climate change adaptation measures, climate transition risks or climate physical risks in the risk assessment process remained relatively low in 2022 (between 20% and 40%) albeit increasing substantially compared to 2021 - see Figure 7.

- 12 ECAs/countries reported taking into account climate physical risks in 2022: Australia, Austria, Canada, Finland, France, Hungary, Italy, Norway, Slovenia, Sweden, the United Kingdom and the United States (instead of only Australia, Canada, Sweden and United Kingdom in 2021).
- Apart from Italy, the same ECAs/countries who reported taking into account climate physical risks also reported taking into account climate transition risks in 2022 (instead of only Australia, Canada and the United Kingdom in 2021).
- A lower number of ECAs/countries reported taking into account climate change mitigation measures (Austria, Canada, Italy, Norway, Sweden, the United Kingdom, and the United States) or climate adaptation measures (Australia, Austria, Canada, Italy, the United Kingdom, and the United States) compared to the other measures proposed in the 2022 survey. However, this is still a significant increase compared to 2021.

Figure 7. Elements taken into account for risk assessment process

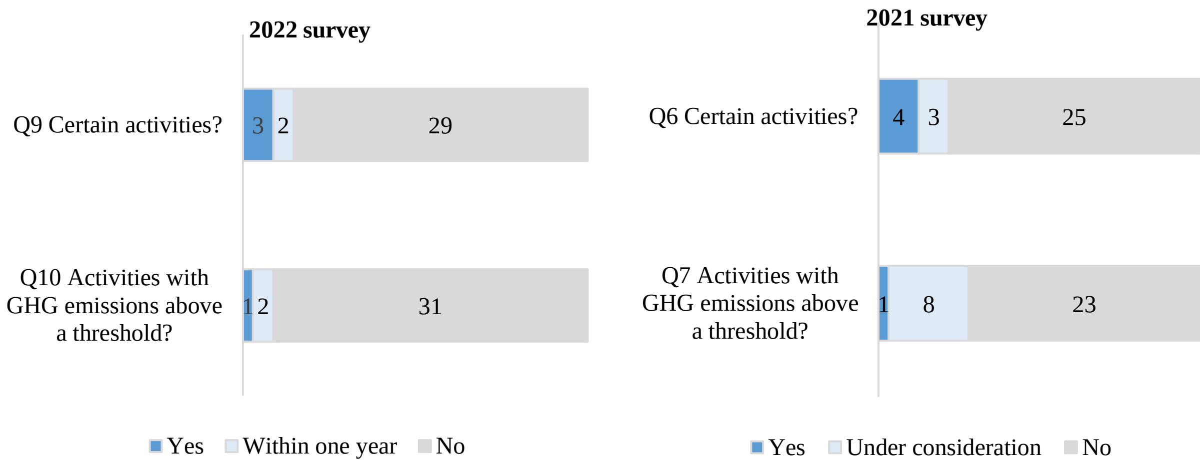


17. Most ECAs/countries have not and are not considering implementing an automatic trigger to classify certain transactions as Category A projects – see Figure 8. As in 2021, Hungary, Sweden and Türkiye have indicated that they have established such automatic triggers for certain activities[2]. Sweden and Türkiye provided examples of transactions that are automatically classified as Category A projects: projects with a significant carbon footprint (Sweden); and sectors that make industrial use of hydrocarbons and are likely to pose a risk to damage or pollute the environment and create damage to natural resources as well as pose an adverse, irreversible, and unprecedented risk to cultural heritage/indigenous people and biodiversity (Türkiye).

18. In 2022, as in 2021, Canada was the only ECA/country that reported having established a policy for automatically classifying as Category A projects, transactions with GHG emissions above certain thresholds of CO_2-equivalent or carbon intensity. Canada indicated that EDC used the thresholds established in Equator Principles (EP) 4. Only two ECAs/countries (Norway and Latvia) indicated that they expected to automatically classify as Category A projects any activities with GHG emissions above a certain threshold within one year. Norway specified that this would apply to projects, where the combined Scope 1 and Scope 2 GHG emissions are expected to be more than 100 000 tonnes of CO_2-equivalent annually.

[2] Norway had indicated in the 2021 survey that it had such triggers, but this was not the case in the 2022 survey. Norway indicated that some policies and measures had changed compared to 2021 due to the change in their export credit institutions (EKSFIN replacing GIEK and Export Kredit Norway).

Figure 8. Automatic classification as Category A projects for transactions involving…



3.2. Sustainability-related

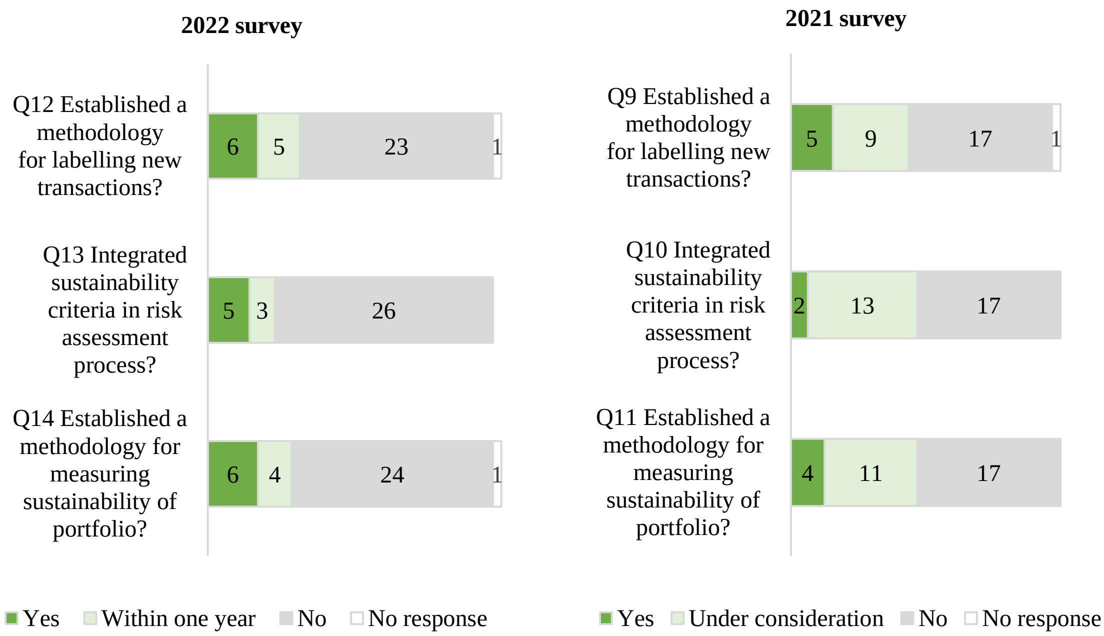
19. Only six ECAs/countries (Austria, Belgium-CREDENDO, Hungary, the Netherlands, Norway and Sweden) reported having established a methodology for labelling transactions according to their contribution to achieving the 2030 Agenda for Sustainable Development – see Figure 9. Compared to 2021, the Netherlands was the only additional ECA/country to report having established such a methodology. The Netherlands specified that it has begun mapping its support to potential negative and positive contribution to the SDGs using a methodology that was developed by a consultant and based on research by the Erasmus University Rotterdam which uses the economic activity (defined in Nace-coding) as a starting point to determine SDG impact.

20. In addition to Hungary and Belgium-CREDENDO, which were the only two ECAs/countries that reported that they had integrated sustainability criteria into their risk assessment for all transactions in 2021, Japan-NEXI, the Netherlands and Norway also reported having done so in 2022.

21. Only six ECAs/countries indicated that they had established a methodology for measuring the sustainability of their overall portfolio. In addition to Belgium-CREDENDO, Canada, Finland and Spain that had already reported having established such a methodology in 2021, France and the Netherlands reported having done so in 2022. For example:

- Canada has created an internal ‘CSR dashboard’ based on sustainability criteria and activities that are mapped to the SDGs; this tool uses both qualitative and quantitative criteria and is used both to measure the overall sustainability of EDC’s portfolio and as a communication tool.
- Spain reported that it identifies all transactions that could make a positive contribution from an environmental and social perspective and that the criteria used to identify these projects are in line with those that are widely accepted in the market, such as those applied in green bonds.

Figure 9. Sustainability approach



4. Targets

22. An increasing number of ECAs/countries have established climate or sustainability targets on either new transactions or their overall portfolio in 2022 compared to 2021; however, they still only account for one third of ECAs/countries at most.

23. A total of 11 ECAs/countries have established targets for new transactions based on their positive impacts on climate, more than double the number that had reported doing so in 2021 (in addition to Belgium-CREDENDO, Canada, Italy, Japan-NEXI, the Netherlands and the United States that had reported such targets in 2021, Belgium-FINEXPO, Denmark, Hungary, Japan-JBIC and Korea-KSURE reported having established climate-positive targets in 2022) – see Figure 10. For example:

- Hungary set a target to increase the share of green projects by at least 10% by 2026.
- Netherlands set a target to increase its annual commitments towards green transactions by 15%.
- In December 2019, the United States Congress set a goal for US EXIM to make available 5% of its total financing authority (5% of USD 135 billion, *i.e.* USD 6.75 billion) each fiscal year for renewable energy, energy storage, and energy efficiency exports (including electric vehicles, batteries for electric vehicles, and electric vehicle charging infrastructure).

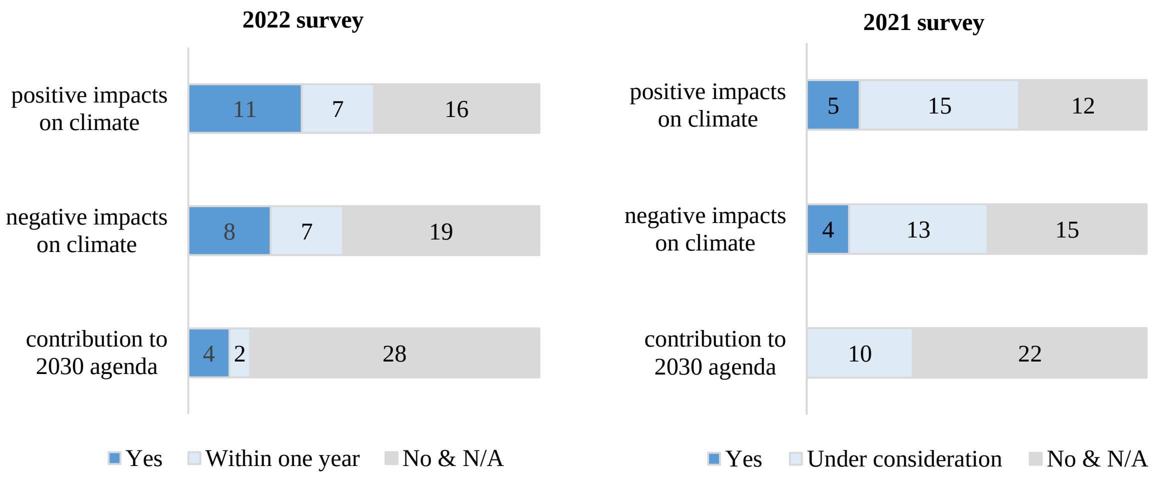
24. A slightly lower number of ECAs/countries reported having established targets for new transactions based on their negative impacts on climate (Belgium-CREDENDO, Canada, Denmark, France, Italy, Korea-KSURE, Slovenia, the United Kingdom and the United States); however, this is still double the number of ECAs/countries compared to 2021. For example:

- Belgium-CREDENDO has developed a Fossil Fuel Policy that outlines a timeline for phasing out the fossil fuel sectors.

- Denmark has developed a net zero 2045 target and has also decided to end public finance and export promotion for fossil fuels in the energy sector.
- Italy has developed negative targets for projects involving fracking and routine flaring.

25. Only four ECAs/countries (Belgium-FINEXPO, Japan-NEXI, Japan-JBIC and Slovenia) reported having established targets for new transactions based on their contribution to achieving the 2030 Agenda for sustainable development and two (Latvia and Portugal) are considering doing so within one year.

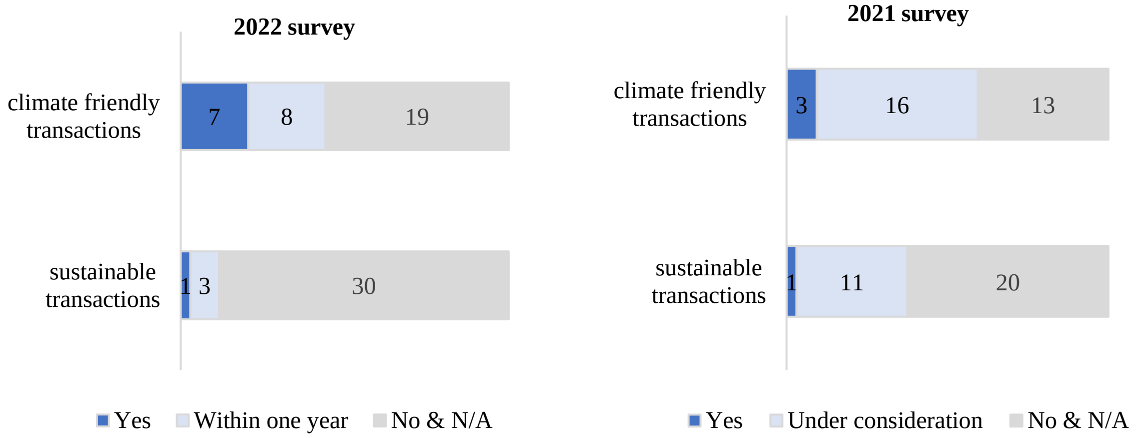
Figure 10. Targets for new transactions based on their…



26. Regarding overall long-term portfolio targets, only seven ECAs/countries have established targets in relation to climate-friendly transactions (Belgium-CREDENDO, Canada, Denmark, Hungary, Japan-NEXI, Korea-KSURE and the United States); however this is twice the number that reported doing so in 2021– see Figure 11. For example: Belgium-CREDENDO launched its Green Package that aims to attract and support projects and companies that have a positive impact on the environment. Another eight ECAs/countries (Greece, Italy, Korea-KEXIM, Latvia, the Netherlands, Portugal, Spain and Sweden) are intending to implement such portfolio targets within one year.

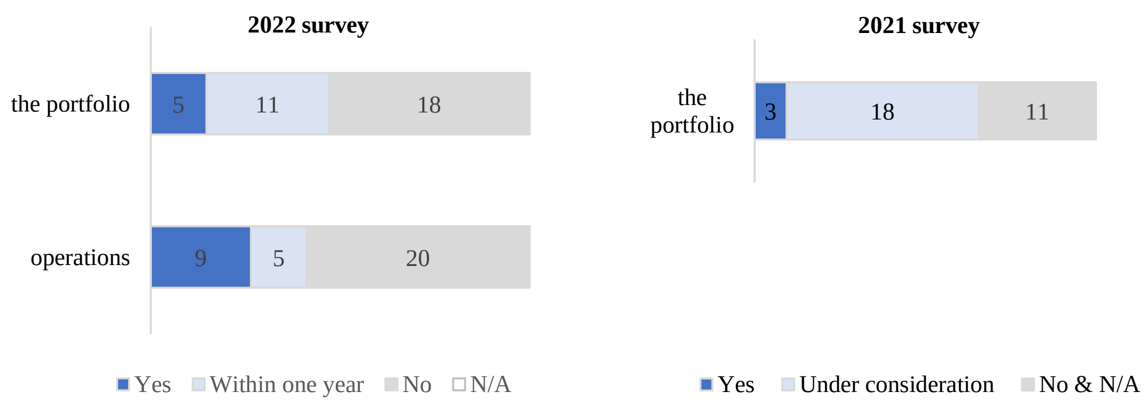
27. Japan-NEXI is the only ECA/country that reported having implemented targets in relation to sustainable transactions contributing to achieving the 2030 Agenda for Sustainable Development.

Figure 11. Targets for overall portfolio based on…



28. More ECAs/countries have established targets to reduce the carbon intensity of operations than the carbon intensity of their portfolio in 2022 (compared to 2021); however, they still only represent less than one third of the responding ECAs/countries – see Figure 12. Indeed, only five ECAs/countries established targets to reduce the carbon intensity of their portfolio (Belgium-FINEXPO, Canada, France, Hungary and the United Kingdom), while nine established targets related to operations (Belgium-FINEXPO, Belgium-CREDENDO, Canada, Denmark, Japan-JBIC, Korea-KEXIM, New Zealand, Spain and the United Kingdom).

Figure 12. Targets to reduce the carbon intensity of…



29. As was the case for the statements and mandates, ECAs/countries reported that the targets established applied to all activities, except for Belgium-FINEXPO which indicated that the targets applied to Arrangement products only.

5. Incentives

30. The number of ECAs/countries that have established incentives for climate-friendly or sustainable transactions has doubled compared to 2021. Almost half of ECAs/countries responding to the 2022 survey reported having established additional support and/or created new products for climate friendly transactions; however, only a quarter reported having done so for sustainable transactions.

31. In 2022, slightly less than half of the responding ECAs/countries reported having established additional support for climate friendly transactions and six ECAs/countries (Australia, Korea-KEXIM, Korea-KSURE, Latvia, New Zealand and Slovak Republic) reported considering doing so within one year - see Figure 13. Most of the additional support relates to flexibilities on the national content/foreign content rules and increased maximum cover. More specifically:

- Germany introduced a Renewable Energy Initiative with a reduced national content of 30% (instead of 51%) and no down payment for local costs for renewable energy transactions.
- The Netherlands introduced several schemes in order to make export credit insurance more attractive for green transactions: a broader Dutch content policy for green project finance, less restrictive underwriting criteria for small green transactions (up to EUR 5 million), a broader definition of 'export' for green transactions and the application of the lowest premia possible according to the Arrangement.
- Japan-NEXI increased the commercial risk coverage to 97.5% for green transactions falling under the Loan Insurance for Green Innovation Program.
- The United Kingdom allocated GBR 2 billion out of its GBR 8 billion overall limit to overseas buyers for clean growth projects (the definition of green growth is aligned with that of Green Bond Principles).
- In 2020, US EXIM's Board of Directors approved a content policy for EXIM's Program on China and Transformational Exports, which lowered the required U.S. content to 51%, with certain additional requirements. Under EXIM's statute, renewable energy, energy efficiency, energy storage, and water treatment and sanitation exports are within the scope of this programme and are eligible for applying this content policy.

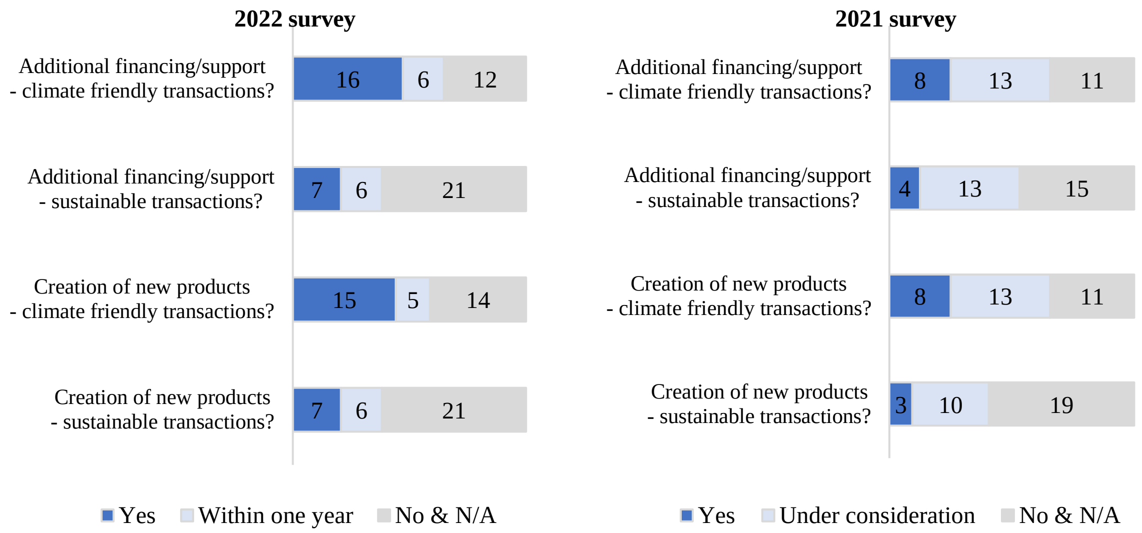
32. In addition, almost half of the responding ECAs/countries in 2022 also indicated having established new products specifically for climate friendly transactions, with another five indicating that they were considering doing so within one year (Australia, Greece, Korea-KEXIM, Korea-KSURE and Latvia). For instance:

- Austria developed a product called "Exportinvest Green" that enables an additional 20% financing volume for transactions with a positive impact on the environment.
- Belgium-CREDENDO launched the Credendo Green Package: a series of incentives aiming to support projects and companies with a positive impact on the environment.
- The Danish Government allocated DKK 30 million to a green project accelerator under EKF. Finance is offered to export alliances of at least two Danish enterprises set up to promote sales of proven clean technologies to customers abroad. The state funding is aimed at upscaling green projects, such as those aiming at reducing the use of fossil fuels and GHG emissions, boosting energy efficiency and efficient resource utilisation or those aiming to remedy food or water shortages.
- Spain developed two new products to provide incentives to climate-friendly transactions: Green Policy and Green Policy for Investments.

33. The number of ECAs/countries that have developed new products or additional support (financing or cover) specifically for sustainable transactions is much lower than for climate friendly ones. In the 2022 survey, only seven ECAs/countries (Austria,

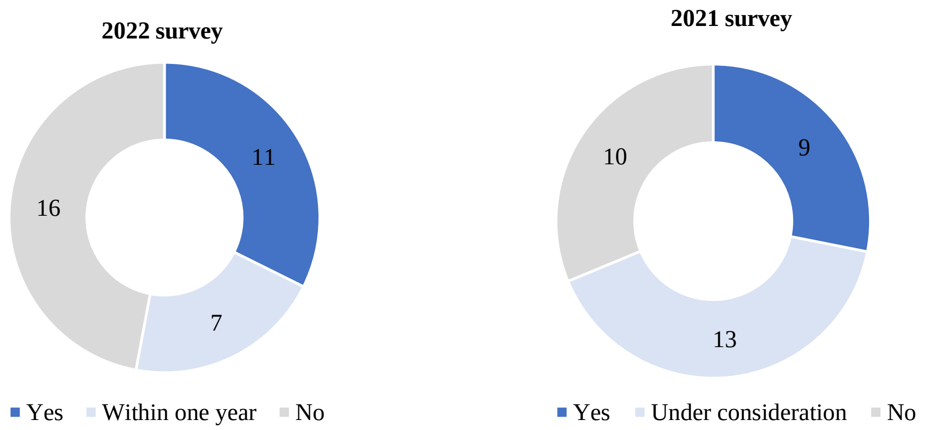
Belgium-CREDENDO, Canada, Denmark, Hungary, Japan-NEXI and Slovenia) reported that they established additional financing or guarantee cover specifically for sustainable transactions. The same ECAs/countries, apart from Denmark, also reported having established new programmes for such transactions.

Figure 13. Introduction of incentives



34. In addition, eleven ECAs/countries (Austria, Belgium-CREDENDO, Canada, France, Japan-NEXI, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the United States) indicated that they had implemented additional measures, beyond the financial incentives set out in the CCSU, for climate-friendly and sustainable transactions, and a further seven ECAs/countries were considering doing so (Germany, Greece, Italy, Korea-KEXIM, Korea-KSURE, Latvia and Slovak Republic) – see Figure 14. Most measures reported are similar to the general additional financing measures detailed above and are linked to increased flexibility with regards to the national content requirements, fees and commercial coverage.

Figure 14. Implementation of additional financial incentives beyond the CCSU



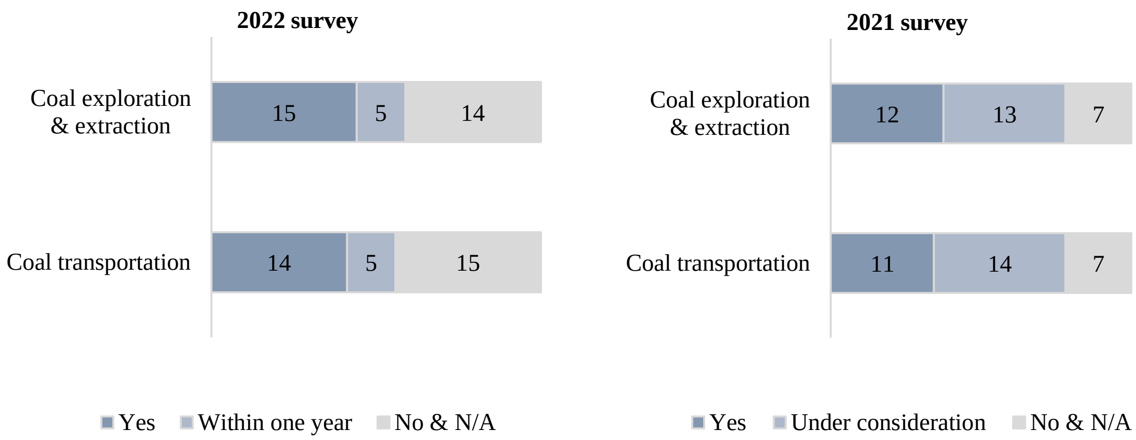
6. Exclusion policies

35. The number of ECAs/countries having established exclusion policies has increased compared to 2021; however, incentive policies continue to be more popular (with the exception of exclusion policies directed towards coal-related projects).

6.1. Coal

36. In 2022, almost half of the of ECAs/countries reported having exclusion policies in place for coal exploration and extraction and for coal transportation, an increase compared to 2021 – see Figure 15. As expected, with the restriction of the "under consideration" answer option to "within one year" in 2022, a much smaller number of ECAs/countries (Germany, Latvia, New Zealand, Portugal and Slovak Republic) declared that they were considering implementing such restrictions.

Figure 15. Exclusion policies relating to coal



37. All the ECAs/countries that reported having implemented exclusion policies relating to coal in 2022 indicated that there were exceptions to these exclusions, most of them related to the exceptions detailed in the Arrangement, especially Carbon Capture Utilisation and Storage (CCUS) projects. In addition:

- Denmark reported that the exclusion policies only applied to thermal coal in the energy sector.
- The Netherlands reported that it had exceptions for coal if it is used to produce steel (metallurgical coal). The Netherlands explains that the reason for this exception is due to the absence of a sustainable alternative for steel production. Another exception reported by the Netherlands is in case the expected dry bulk volume of a Multi Transport Vehicle (MTV) consists of less than 20% coal transport. Transactions and/or projects related to the dismantling of coal-related infrastructure, such as closing coal mines, reusing and/or repurposing coal-fired power stations (*e.g.*, for renewable energy) do qualify for insurance.

6.2. Oil

38. Contrary to coal, the majority of responding ECAs/countries have not established, and are not considering establishing within a year, exclusion policies for oil-related

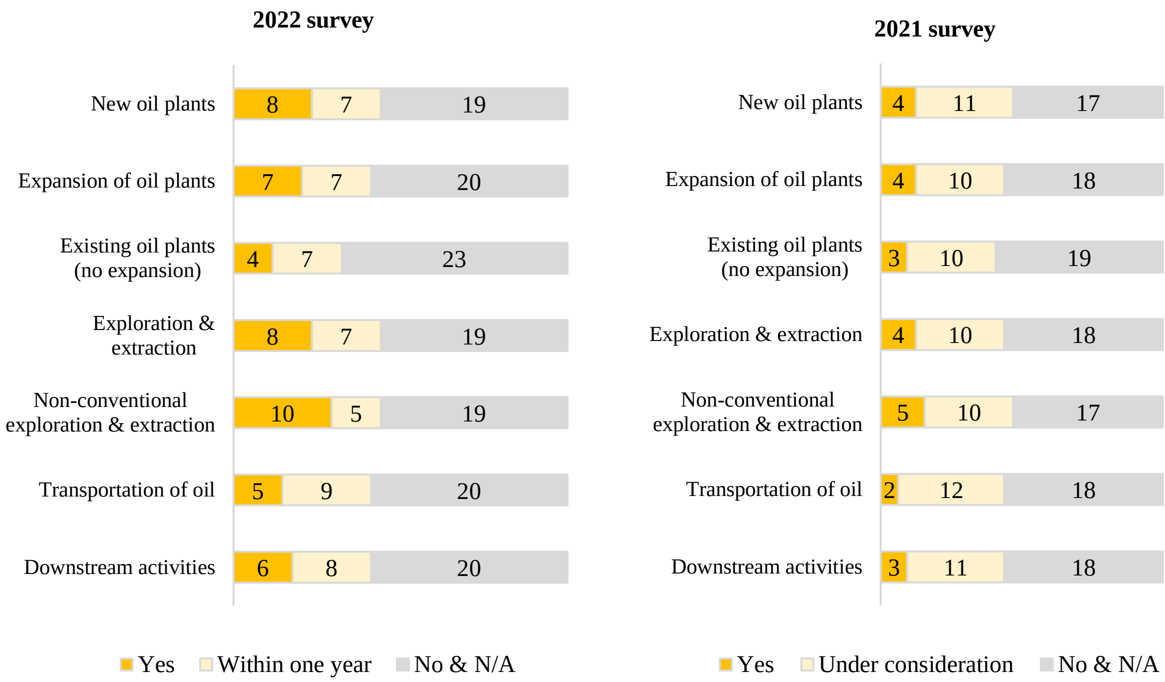
projects. Nevertheless, the number of ECAs/countries that reported having established such policies has doubled compared to 2021.

39. The most popular oil exclusion policy among ECAs/countries relates to non-conventional exploration and extraction methods such as fracking and oil sands. In 2022, ten ECAs/countries reported having developed such policies (Belgium-CREDENDO, Canada, Denmark, Finland and the Netherlands, in addition to France, Italy, Spain, Sweden and the United Kingdom that had already reported such exclusion policies in 2021) and another five (Germany, Latvia, New Zealand, Slovak Republic and Switzerland) have indicated that they intend to do so within one year– see Figure 16.

40. The second most popular exclusion policies among ECAs/countries concern new oil plants and projects relating to exploration and extraction (Belgium-CREDENDO, Canada, Denmark, Finland, France, Spain, Sweden and the United Kingdom).

41. The area with the least restriction policies linked to oil is for transactions relating to existing oil plants without expanding capacity. Only four ECAs: Canada, Denmark, France and the United Kingdom reported having implemented such policies.

Figure 16. Implementation of exclusion policies relating to oil



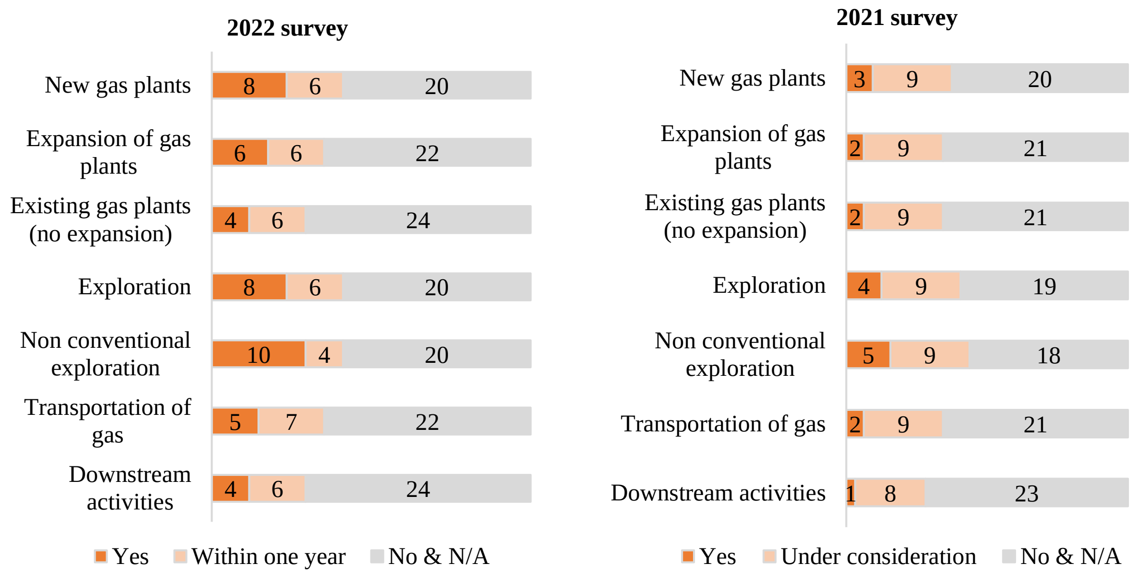
42. Among the ECAs/countries that have implemented exclusion policies for oil, 14 ECAs/countries reported in 2022 that they had developed exceptions to these policies. Most of these exceptions relate to projects which would improve the energy or emissions efficiency and that would be consistent with the goals of the COP 26 statement on International Public Support for the Clean Energy Transition or the Paris Agreement.

6.3. Gas

43. As with oil projects, the majority of ECAs/countries that provided responses in 2022 have not established, and are not considering establishing within one year, exclusion policies for gas projects – see Figure 17.

44. The same ECAs/countries that reported having established oil exclusion policies in 2022 reported having implemented gas exclusion policies. Indeed, Belgium-CREDENDO, Canada, Denmark, Finland, France, Italy, the Netherlands, Spain, Sweden and the United Kingdom reported having implemented exclusion policies relating to non-conventional exploration, and Belgium-CREDENDO, Canada, Denmark, Finland, France, Spain, Sweden and the United Kingdom reported having established exclusion policies relating to new gas plants and exploration projects.

Figure 17. Implementation of exclusion policies relating to gas

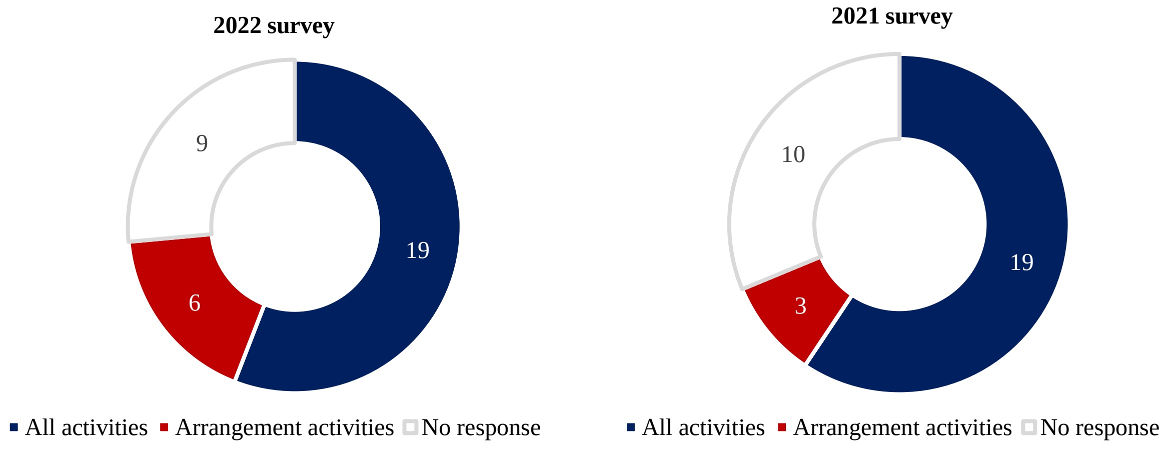


45. The same 14 ECAs/countries that reported having established exceptions for their oil exclusion policies also reported having implemented exceptions for their gas exclusion policies. The exceptions were the same as those provided for oil projects.

6.4. Scope of exclusions

46. The majority of ECAs/countries reported that their exclusion policies relating to coal, oil or gas applied (or would apply) to all their business activities: only Belgium-FINEXPO, Finland, France, Korea-KSURE, Slovenia and Spain indicated in 2022 that they would only apply to Arrangement business (in 2021, only Czech Republic, Greece and Hungary had indicated that they only applied to Arrangement business) – see Figure 18.

Figure 18. Policy exclusions apply to



6.5. Other sectors

47. No ECAs/countries have currently implemented exclusion policies relating to industrial operations with fossil-fired energy and only two ECAs/countries are considering doing so within one year (Germany and Latvia)– see Figure 19.

48. With regards to exclusion policies on other sectors, only three ECAs/countries reported that they had implemented such policies (Austria, Germany and the Netherlands) and none are considering doing so within one year. Austria has exclusion policies relating to nuclear technology as well as weapons and military equipment. Germany has exclusion policies for supplies and services to nuclear power plants as well as new plants and are considering further measures within the scope of the net zero strategy for the transportation and chemical industry and metals sectors. The Netherlands has implemented exclusion policies for routine flaring and venting, and for animal husbandry systems and practices that are not compatible with the "five freedoms for animals" or with the view that animals have intrinsic value.

Figure 19. Other sectors for exclusion policies

6.6. Other measures

49. Five ECAs/countries (Canada, Denmark, Norway, Sweden and the United Kingdom) responded positively to the question concerning implementation of other measures to limit support for transactions in carbon intensive sectors. Four of these provided additional information:

- Canada developed a target in 2020 to decrease its exposure to six carbon intensive sectors by 15% by 2023. This target was achieved in 2021 and new targets are being developed: a new target to continue reducing exposure in carbon intensive sectors, a target to promote emissions reductions among customers in carbon intensive sectors and a sustainable financing target to increase support for business aligned with low carbon future.
- Denmark is committed to net zero emissions by 2045.
- Norway has implemented more extensive due diligence procedures for transactions in carbon intensive sectors.
- The United Kingdom is preparing to set an emissions intensity-based decarbonisation target for their aviation sector exposures.

50. Almost half of the ECAs/countries that responded to the survey in 2022 reported having implemented policies or product to support energy transition – see Figure 20. For instance:

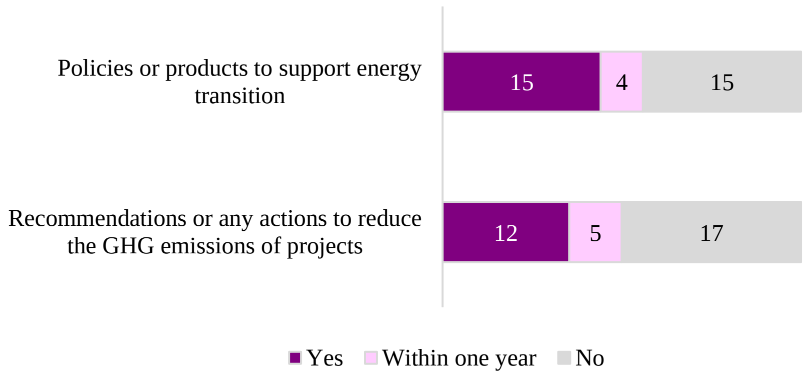
- Belgium-CREDENDO launched the Credendo Green Package, which consists of a series of incentives to support projects and companies that have a positive impact on the environment, with a view to strengthening its commitment to sustainable transition.
- Japan-NEXI developed the LEAD Initiative, which aims to support projects that contribute to the improvement of industrial competitiveness in carbon neutral and digital fields, to the promotion of international collaboration with value co-creation partners, to solving social issues and to achieving the Sustainable Development Goals (SDGs).
- The United Kingdom developed the Transition Export Development Guarantee to enable exporting companies transition their existing fossil fuels energy business to clean energy alternatives.

51. According to the 2022 survey, 12 ECAs/countries have established recommendations or taken actions to reduce the GHG emissions of projects – see Figure 20. For example:

- Denmark has developed an environmental and social action plan (ESAP), during the due diligence process, which ensures that the project takes relevant actions to minimise GHG-emissions.
- As part of its environmental and social due diligence process, Korea-KEXIM requires a GHG Impact Assessment and GHG mitigation study where high GHG emissions are expected. Depending on the study results, KEXIM encourages the project owners to adopt additional GHG mitigation measures and actions including application of Best Available Technology.
- Norway requires clients to provide a plan for phasing out diesel to electricity in their power supply for aquaculture projects.

- The United Kingdom seeks to reduce emissions where appropriate in the projects they support: they require that best available technology is used where appropriate and that lower carbon alternatives are considered.

Figure 20. Further exclusion measures (2022 survey)



7. Reporting and transparency

52. Less than a third of ECAs/countries have put in place measures for disclosing climate-related and/or sustainable-related information according to the 2022 survey; however, almost a third of ECAs/countries are considering putting such measures in place within one year– see Figure 21.

53. In 2022, Australia, Belgium-FINEXPO, Korea-KSURE, the Netherlands and Sweden reported having established reporting measures in accordance with the TCFD recommendations, in addition to Austria, Canada and the United Kingdom that had indicated having done so already in 2021.

54. Eight ECAs/countries (Australia, Belgium-CREDENDO, Denmark, Finland, Germany, the Netherlands, the United Kingdom, the United States) indicated in 2022 that they publicly reported the GHG emissions associated with the projects supported. For example:

- Belgium-CREDENDO indicated that as part of the Export Finance for the Future (E3F) coalition, it disclosed information needed to publish the E3F coalition report.
- Denmark indicated that it provided information (based on *ex-ante* calculations) in its 2021 Sustainability report.
- The United Kingdom indicated that it reports emissions for Category A projects with CO_2 emissions that are greater than 25 000 tonnes.
- The United States indicated that it publicly reports the estimated annual CO_2 production (tons/year) of Category A and Category B projects and the GHG intensity for fossil fuel power project (grams CO_2-equivalent per kilowatt-hour) on the US EXIM website.

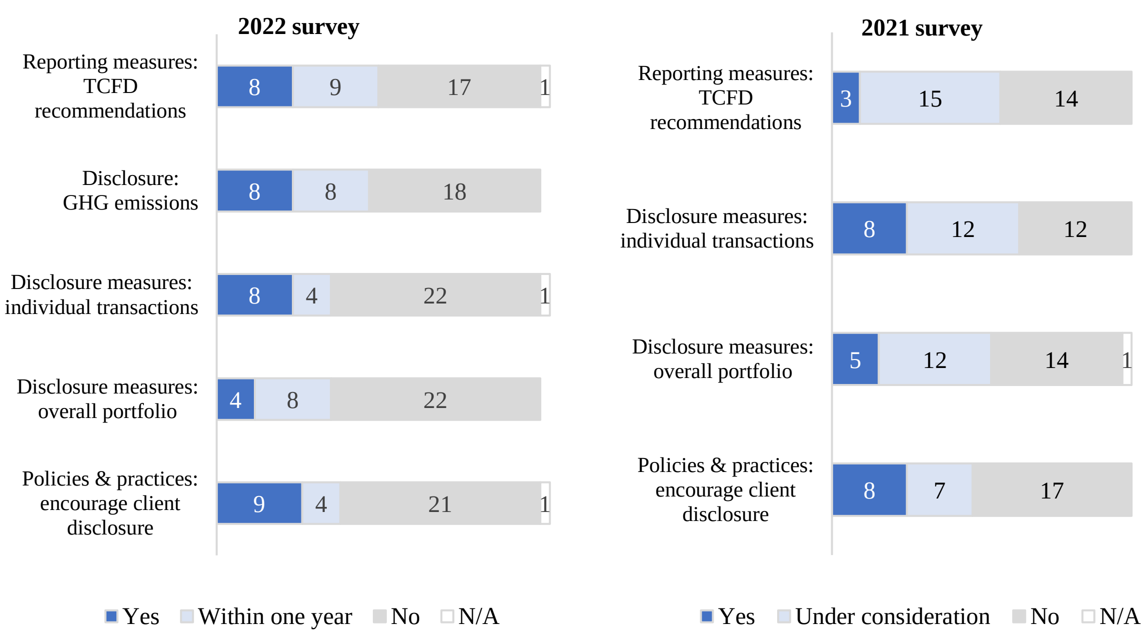
55. In the 2022 survey, eight ECAs/countries (Austria, Canada, Denmark, France, the Netherlands, Sweden, Switzerland and the United Kingdom) reported that they had implemented other measures for disclosing additional climate-related or sustainable-related

information in relation to individual transactions, while only four (Canada, France, Latvia and the Netherlands) reported having done so for the overall portfolio.

56. In the 2022 survey, nine ECAs/countries (Australia, Austria, Canada, Denmark, Japan, Slovenia, Spain, the United Kingdom and the United States) indicated having established policies or practices to encourage clients to disclose climate-related or sustainable-related information. For example:

- Canada encourages all customers to consider disclosing information in line with the TCFD recommendations, including through their guide: https://www.edc.ca/content/dam/edc/en/non-premium/tcfd-guide.pdf. In 2020, Canada started to require that, for certain products, customers in the upstream and downstream oil and gas sectors commit to disclose corporate climate-related information aligned with the TCFD recommendations. This requirement came into effect in 2021 as its customers entered into new or renewed product relationships with EDC. EDC has provided support to companies concerning the implementation of the TCFD recommendations in the form of webinars, a how-to guide and one-to-one calls with affected customers.
- The United States requires the disclosure of GHG emissions information of certain projects it finances. In addition, US EXIM has adopted EP4 and is considering ways to incorporate EP4's transparency requirements into its environmental guidelines. Those include requiring the client to report publicly on an annual basis on GHG emission levels (combined Scope 1 and Scope 2 emissions) and/or GHG efficiency ratios during the operational phase for projects emitting over 100 000 tons of CO_2-equivalent annually; clients are encouraged to report publicly on projects emitting over 25 000 tons. In addition, where appropriate, EPFIs encourage clients to publish a summary of the alternatives analysis as part of the ESIA.

Figure 21. Reporting and transparency measures



8. Conclusion and next steps

57. The responses to the 2022 survey show that many ECAs/countries already have mandates and are already taking measures (through the implementation of targets, incentive policies and/or exclusion policies) with regards to climate-related and or sustainable-related transactions and that their number has increased substantially (in many cases doubled) compared to 2021. ECAs/countries continue to favour implementing measures to incentivise climate-friendly and sustainable projects rather than establishing exclusion policies and other restrictions.

58. There has been an increase in the number of ECAs/countries that have developed mandates and policies relating to climate or sustainability compared to 2021. As a result, the number of ECAs/countries reporting that they are considering doing so has decreased. This decrease may also be a consequence of the stricter conditions related to the "under consideration" option in the 2022 survey (it was understood that the policy or practice would be implemented within one year) and should not necessarily be interpreted as a change in the priorities of ECAs/countries.

59. Members agreed that this survey should be conducted on an annual basis. The next survey will be circulated to Members in the third quarter of 2023 for them to review and, if necessary, update their responses.